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Agenda item 18 (a)

Macroeconomic policy questions: international trade and development

Report of the Second Committee*

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I. Introduction

1. The Second Committee held a substantive debate on agenda item 18 (see A/65/434, para. 2). Action on sub-item (a) was taken at the 27th and 29th meetings, on 4 and 18 November 2010. An account of the Committee's consideration of the sub-item is contained in the relevant summary records (A/C.2/65/SR.27 and 29).

II. Consideration of draft resolution A/C.2/65/L.44

2. At the 29th meeting, on 18 November, the representative of Yemen, on behalf of the States Members of the United Nations that are members of the Group of 77 and China, introduced a draft resolution entitled "International trade and development" (A/C.2/65/L.44).

3. At the same meeting, the Committee was informed that draft resolution A/C.2/65/L.44 had no programme budget implications.

4. Also at the same meeting, the Committee adopted draft resolution A/C.2/65/L.44 by a recorded vote of 114 to 48, with 6 abstentions (see para. 6). The voting was as follows:[1]

In favour:

Afghanistan, Algeria, Angola, Antigua and Barbuda, Argentina, Armenia, Azerbaijan, Bahamas, Bahrain, Bangladesh, Barbados, Belarus, Belize, Benin,

* The report of the Committee on this item is being issued in four parts, under the symbol A/65/434 and Add.1-3.

[1] The delegations of Mauritania and Nigeria subsequently indicated that, had they been present during the voting, they would have voted in favour.

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Bolivia (Plurinational State of), Brazil, Brunei Darussalam, Burkina Faso, Burundi, Cambodia, Cape Verde, Central African Republic, Chile, China, Colombia, Comoros, Costa Rica, Côte d'Ivoire, Cuba, Democratic People's Republic of Korea, Democratic Republic of the Congo, Djibouti, Dominican Republic, Ecuador, Egypt, El Salvador, Eritrea, Ethiopia, Fiji, Ghana, Guatemala, Guinea, Guinea-Bissau, Guyana, Haiti, Honduras, India, Indonesia, Iran (Islamic Republic of), Iraq, Jamaica, Jordan, Kazakhstan, Kuwait, Kyrgyzstan, Lao People's Democratic Republic, Lebanon, Lesotho, Liberia, Libyan Arab Jamahiriya, Madagascar, Malawi, Malaysia, Maldives, Mali, Mauritius, Micronesia (Federated States of), Mongolia, Morocco, Mozambique, Myanmar, Namibia, Nepal, Nicaragua, Oman, Pakistan, Panama, Papua New Guinea, Paraguay, Peru, Philippines, Qatar, Rwanda, Saint Lucia, Saint Vincent and the Grenadines, Samoa, Saudi Arabia, Senegal, Sierra Leone, Singapore, Solomon Islands, South Africa, Sri Lanka, Sudan, Suriname, Swaziland, Syrian Arab Republic, Tajikistan, Thailand, Timor-Leste, Togo, Trinidad and Tobago, Tunisia, Tuvalu, Uganda, United Arab Emirates, United Republic of Tanzania, Uruguay, Uzbekistan, Venezuela (Bolivarian Republic of), Viet Nam, Yemen, Zambia, Zimbabwe.

Against:

Albania, Andorra, Australia, Austria, Belgium, Bosnia and Herzegovina, Bulgaria, Canada, Croatia, Cyprus, Czech Republic, Denmark, Estonia, Finland, France, Georgia, Germany, Greece, Hungary, Iceland, Ireland, Israel, Italy, Japan, Latvia, Liechtenstein, Lithuania, Luxembourg, Malta, Monaco, Montenegro, Netherlands, New Zealand, Norway, Poland, Portugal, Republic of Moldova, Romania, San Marino, Slovakia, Slovenia, Spain, Sweden, Switzerland, the former Yugoslav Republic of Macedonia, Ukraine, United Kingdom of Great Britain and Northern Ireland, United States of America.

Abstaining:

Marshall Islands, Mexico, Republic of Korea, Russian Federation, Serbia, Turkey.

5. Statements in explanation of vote were made before the vote by the representatives of the United States of America and Belgium (on behalf of the European Union and Albania, Croatia, Montenegro and the former Yugoslav Republic of Macedonia, as well as the Republic of Moldova and Ukraine); a statement in explanation of vote was made after the vote by the representative of Australia, also on behalf of Canada and New Zealand (see A/C.2/65/SR.29).

III. Recommendation of the Second Committee

6. The Second Committee recommends to the General Assembly the adoption of the following draft resolution:

International trade and development

The General Assembly,

Recalling its resolutions 56/178 of 21 December 2001, 57/235 of 20 December 2002, 58/197 of 23 December 2003, 59/221 of 22 December 2004, 60/184 of 22 December 2005, 61/186 of 20 December 2006, 62/184 of 19 December 2007, 63/203 of 19 December 2008 and 64/188 of 21 December 2009 on international trade and development,

Recalling also the United Nations Millennium Declaration,[1] as well as the outcomes of the International Conference on Financing for Development,[2] the World Summit on Sustainable Development,[3] the 2005 World Summit Outcome,[4] and the Doha Declaration on Financing for Development,[5]

Recalling further the Outcome of the United Nations Conference on the World Financial and Economic Crisis and its Impact on Development,[6]

Recalling the High-level Plenary Meeting of the sixty-fifth session of the General Assembly on the Millennium Development Goals and its outcome document,[7]

Taking note of the seventh session of the World Trade Organization Ministerial Conference, held in Geneva from 30 November to 2 December 2009 under the general theme "The World Trade Organization, the Multilateral Trading System and the Current Global Economic Environment",

Reaffirming the value of multilateralism to the global trading system and the commitment to achieving a universal, rule-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment generation in all sectors, and emphasizing that bilateral and regional trading arrangements should contribute to the goals of the multilateral trading system,

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[1] See resolution 55/2.

[2] *Report of the International Conference on Financing for Development, Monterrey, Mexico, 18-22 March 2002* (United Nations publication, Sales No. E.02.II.A.7), chap. I, resolution 1, annex.

[3] *Report of the World Summit on Sustainable Development, Johannesburg, South Africa, 26 August-4 September 2002* (United Nations publication, Sales No. E.03.II.A.1 and corrigendum), chap. I, resolution 1, annex, and resolution 2, annex.

[4] See resolution 60/1.

[5] Resolution 63/239, annex.

[6] Resolution 63/303, annex.

[7] See resolution 65/1.

Reiterating that development concerns form an integral part of the Doha Development Agenda, which places the needs and interests of developing and least developed countries at the heart of the Doha Work Programme,[8]

Noting that agriculture lags behind the manufacturing sector in the process of the establishment of multilateral disciplines and in the reduction of tariff and non-tariff barriers and that, since most of the world's poor make their living from agriculture, the livelihood and standards of living of many of them are seriously jeopardized by the serious distortions in production and trade in agricultural products caused by the high levels of export subsidies, trade-distorting domestic support and protectionism by many developed countries,

1. *Takes note* of the report of the Trade and Development Board[9] and the report of the Secretary-General;[10]

2. *Reaffirms* that international trade can be an engine for development and sustained economic growth, underlines the need to fully harness its potential in that regard, and stresses the importance of upholding a universal, rule-based, open, non-discriminatory and equitable multilateral trading system that contributes to growth, sustainable development and employment, particularly in developing countries;

3. *Notes with deep concern* that the ongoing world financial and economic crisis is still severely impacting international trade, particularly affecting developing countries, and expresses concern about the fragile and uneven state of the recovery of trade flows;

4. *Stresses* the need to resist all protectionist measures and tendencies, especially those affecting developing countries, including tariff, non-tariff and other barriers to trade, in particular agricultural subsidies, and to rectify any such measures already taken, recognizes the right of countries to fully utilize their policy space, consistent with World Trade Organization commitments, and calls upon the World Trade Organization and other relevant bodies, including the United Nations Conference on Trade and Development, to continue monitoring protectionist measures and assess their impact on developing countries;

5. *Encourages* Member States to refrain from adopting any measures or restrictions related to trade and transit that affect the access by developing countries to medicines, especially generic medicines, and medical equipment;

6. *Expresses serious concern* at the lack of progress in the negotiations of the World Trade Organization Doha Round, reiterates the call on all members of the World Trade Organization, in particular developed country members, to demonstrate the flexibility and political will necessary to break the current impasse in the negotiations, and calls for an early, balanced, ambitious and development-oriented outcome of the Doha Development Agenda of multilateral trade negotiations, in keeping with the development mandate of the Doha Ministerial Declaration,[11] the

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[8] A/C.2/56/7, annex.

[9] A/65/15 (Parts I-IV) and corrigendum. For the final text, see *Official Records of the General Assembly, Sixty-fifth Session, Supplement No. 15* (A/65/15).

[10] A/65/211.

[11] See A/C.2/56/7, annex.

decision of 1 August 2004 of the General Council of the World Trade Organization[12] and the Hong Kong Ministerial Declaration,[13] which places development at the heart of the multilateral trading system;

7. *Stresses* that, in order for the Doha Round to be concluded satisfactorily, the negotiations should strengthen the rules and disciplines in the area of agriculture, eliminate agricultural export subsidies, substantially reduce the domestic measures of support by developed countries and promote enhanced market access to developed country markets, in a balanced and development-oriented outcome, while adhering to the development mandate of the Doha Ministerial Declaration, the decision of 1 August 2004 of the General Council of the World Trade Organization and the Hong Kong Ministerial Declaration;

8. *Also stresses* the need to make substantial progress in the negotiations of the World Trade Organization complying with the mandate of the Doha Development Agenda, covering all areas under the single undertaking, such as agriculture, non-agricultural market access, services, rules and trade facilitation, as well as in the negotiations on the Dispute Settlement Understanding, to ensure that the development concerns of developing countries are fully reflected in any outcome, consistent with the development mandate of the Doha Ministerial Declaration, the decision of 1 August 2004 of the General Council of the World Trade Organization and the Hong Kong Ministerial Declaration;

9. *Reiterates its call* for completing the review work on special and differential treatment provisions, with a view to strengthening them and making them more precise, effective and operational, in accordance with paragraph 44 of the Doha Ministerial Declaration and paragraph 37 of the Hong Kong Ministerial Declaration;

10. *Calls for* finding solutions to the Implementation-Related Issues and Concerns as set out in the relevant decisions of the Doha Ministerial Conference;

11. *Reiterates its call* for accelerating work on the development-related mandate concerning the Agreement on Trade-related Aspects of Intellectual Property Rights (TRIPS Agreement)[14] in the Doha Ministerial Declaration, especially on the issue of making intellectual property rules fully support the objectives of the Convention on Biological Diversity[15] and issues related to the full implementation of the Declaration on the TRIPS Agreement and Public Health[16] affecting many developing countries, including the least developed countries, especially those issues arising from HIV/AIDS, tuberculosis, malaria and other diseases;

12. *Reaffirms* the necessity of promoting the transfer and dissemination of technology and access to knowledge for the benefit of developing countries, taking fully into account the priorities and special needs of developing countries, as well as the World Intellectual Property Organization Development Agenda;

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[12] World Trade Organization, document WT/L/579. Available from http://docsonline.wto.org.

[13] World Trade Organization, document WT/MIN(05)/DEC. Available from http://docsonline.wto.org.

[14] See *Legal Instruments Embodying the Results of the Uruguay Round of Multilateral Trade Negotiations, done at Marrakesh on 15 April 1994* (GATT secretariat publication, Sales No. GATT/1994-7).

[15] United Nations, *Treaty Series*, vol. 1760, No. 30619.

[16] World Trade Organization, document WT/MIN(01)DEC/2. Available from http://docsonline.wto.org.

13. *Reaffirms* the commitments made at the Fourth Ministerial Conference of the World Trade Organization relating to the least developed countries,[11] calls upon developed countries that have not already done so to provide immediate, predictable, duty-free and quota-free market access on a lasting basis for all products originating from all least developed countries, and welcomes the convening of the Fourth Conference on the Least Developed Countries in Istanbul in 2011;

14. *Calls for* the full implementation of the Marrakech Ministerial Decision on measures concerning the possible negative effects of the reform programme on least developed and net food-importing developing countries by providing them with technical and financial assistance in order to meet their food needs;

15. *Reaffirms* the commitment to actively pursue the work programme of the World Trade Organization with respect to addressing the trade-related issues and concerns affecting the fuller integration of countries with small, vulnerable economies into the multilateral trading system in a manner commensurate with their special circumstances and in support of their efforts towards sustainable development, in accordance with paragraph 35 of the Doha Ministerial Declaration and paragraph 21 of the Hong Kong Ministerial Declaration;

16. *Also reaffirms* its full commitment to urgently addressing the special development needs of and challenges faced by the landlocked developing countries, and calls for the full, timely and effective implementation of the Almaty Programme of Action,[17] as contained in the Declaration on the Midterm Review of the Almaty Programme of Action;

17. *Expresses its deep concern* at the imposition of laws and other forms of coercive economic measures, including unilateral sanctions, against developing countries, which undermine international law and the rules of the World Trade Organization and also severely threaten freedom of trade and investment;

18. *Calls for* facilitating the accession of all developing countries that apply for membership in the World Trade Organization, in particular the least developed countries, including countries emerging from conflict that are least developed countries, bearing in mind paragraph 21 of resolution 55/182 of 20 December 2000 and subsequent developments, and also calls for the effective and faithful application of the World Trade Organization guidelines on accession by the least developed countries;

19. *Recognizes* the urgent need to mobilize additional, non-conditional and predictable funding for Aid for Trade, including through the Enhanced Integrated Framework for Trade-related Technical Assistance to Least Developed Countries, to help to strengthen and enhance the trade capacity and international competitiveness of developing countries so as to ensure equitable benefits for them from increased trading opportunities and to foster their economic growth, and notes that the Third Global Review of Aid for Trade is to be held in Geneva in July 2011;

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[17] *Report of the International Ministerial Conference of Landlocked and Transit Developing Countries and Donor Countries and International Financial and Development Institutions on Transit Transport Cooperation, Almaty, Kazakhstan, 28 and 29 August 2003* (A/CONF.202/3), annex I.

20. *Recognizes* that South-South trade should be further strengthened, including through market access between developing countries, and in this regard takes note of the Ministerial Decision on Modalities of the São Paulo Round of the Global System of Trade Preferences among Developing Countries, adopted in Geneva on 2 December 2009, and looks forward to an early conclusion of the negotiations on the São Paulo Round;

21. *Reiterates* the important role of the United Nations Conference on Trade and Development as the focal point within the United Nations system for the integrated treatment of trade and development and interrelated issues in the areas of finance, technology, investment and sustainable development, and calls upon the international community to work towards the strengthening of the Conference, to enable it to enhance its contribution in its three major pillars, namely, consensus-building, research and policy analysis, and technical assistance, especially through increased core resources;

22. *Invites* the United Nations Conference on Trade and Development, in accordance with its mandate, to monitor and assess the evolution of the international trading system, to undertake policy analysis with a view to fostering greater coherence between the multilateral trading system and the international financial system, from a development perspective, and to support developing countries in building national capacities, including through technical assistance activities;

23. *Reaffirms* the fundamental role that competition law and policy can play for sound economic development, in accordance with national legislation, welcomes the convening of the sixth United Nations Conference to Review all Aspects of the Set of Multilaterally Agreed Equitable Principles and Rules for the Control of Restrictive Business Practices, held in Geneva from 8 to 12 November 2010, and takes note of its final report (TD/RBP/CONF.7/11);

24. *Urges* donors to provide the United Nations Conference on Trade and Development with the increased resources necessary to deliver effective and demand-driven assistance to developing countries, as well as to enhance their contributions to the trust funds of the Integrated Framework for Trade-related Technical Assistance to Least Developed Countries and the Joint Integrated Technical Assistance Programme;

25. *Requests* the Secretary-General, in collaboration with the secretariat of the United Nations Conference on Trade and Development, to submit to the General Assembly at its sixty-sixth session a report on the implementation of the present resolution and developments in the multilateral trading system, under the sub-item entitled "International trade and development" of the item entitled "Macroeconomic policy questions";

26. *Also requests* the Secretary-General to transmit the present resolution to the Director-General of the World Trade Organization for circulation as a document of the World Trade Organization.